

the Edinburgh branch of the Ayr Bank just one week later. The bank continued its payments until June 25th, when it was compelled to suspend and its great mass of obligations was discredited.

The Bank of Scotland was authorized in 1774 to double its capital stock, and began in this year the policy of establishing branches which has become so striking a feature of Scotch banking. Efforts had been made in 1696 and again in 1731 to establish branches in Glasgow, Aberdeen, Dundee, and one or two other places, but in both instances proved unprofitable and were abandoned after a year or two. The capital of the Bank of Scotland was increased in 1784 to £300,000, in 1792 to £600,000, in 1794 to £1,000,000, and in 1804 to £1,500,000, of which £1,000,000, was paid in. The present paid up capital is £1,250,000 and the nominal capital, £1,875,000. The capital of the Royal Bank has been raised to £2,000,000, all of which has been paid in. The capital of the British Linen Company is £1,000,000, all paid in. The Commercial Bank was founded in 1810 as the banking institution of the Liberal party, with a paid-up capital of £1,000,000, which was strengthened later by a reserve fund of £400,000. The nominal capital is now £5,000,000. These four banks—the Bank of Scotland, the Royal Bank, the British Linen Company, and the Commercial Bank—are the oldest institutions now in existence. The other banks of issue which were in operation when the Act of 1845 forbade the extension of the system were for the most part founded as late as 1825, the date of the foundation of the existing National Bank of Scotland and the Aberdeen Town and County Bank. There were a few older institutions which have since ceased to exist, among them being the Perth Banking Company, founded in 1766 and united with the Union Bank in 1857, and the Dundee Banking Company, founded in 1763 and united with the Royal Bank of Scotland in 1864.

The strength of the Scotch banking system was illustrated by the events which followed the suspension of specie payments in England. The news reached Edinburgh on March